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Synopsis of Statutes of General Application

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1949

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— and —

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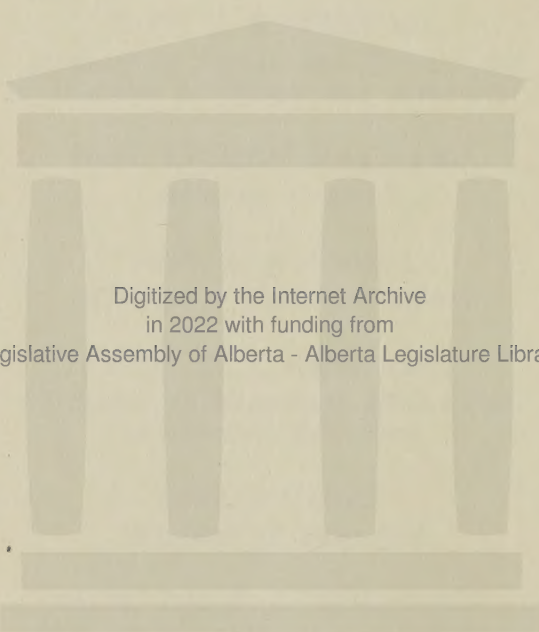
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SYNOPSIS OF STATUTES OF GENERAL APPLICATION

Enacted at the Second Session of the
Eleventh Legislature

CALGARY BORROWING VALIDATION ACT

(Chapter 1)

(Bill 8)

This is a new Act to be known as "*The Calgary Borrowing Validation Act*".

Under Part IV of *The Public Utilities Act* dealing with loans to local authorities any municipality desiring to raise money by way of debenture must apply to the Board of Public Utility Commissioners for authority to do so. Section 103 of Part IV of *The Public Utilities Act* provides that the application to the Board must be made prior to or forthwith after the first reading of the by-law and before the by-law is submitted to a vote. The section also provides that no further action shall be taken by the Council upon a by-law until the authorization of the Board of Public Utility Commissioners has been obtained.

The City of Calgary enacted By-laws Nos. 3956 and 3957, the first to raise the sum of two million one hundred and twenty-five thousand dollars and the second to raise the sum of one million one hundred and seventy-five thousand dollars. Both of these by-laws were given first and second readings and a vote of the burgesses was held which passed the by-laws by a majority. The by-laws were then finally enacted and negotiations were commenced for sale of the debentures. All of these proceedings were carried out before making application to the Board of Public Utility Commissioners.

Accordingly all proceedings after the first reading are a nullity by reason of the provision of *The Public Utilities Act*.

The provisions of this Act declare each of the two by-laws to be legal, valid and binding on the City of Calgary, notwithstanding any irregularities or defects. The two orders of the Board of Public Utility Commissioners granting the application of the City of Calgary for permission to issue debentures

under the by-laws are also ratified, validated and confirmed. The sections of the Act ratifying the by-laws also declare the debentures and the coupons attached to the debentures to be legal, valid and binding on the City of Calgary.

This Act came into force on July 7, 1949.

GAS RESOURCES PRESERVATION ACT

(Chapter 2)

(Bill 1)

This is a new Act to be known as "*The Gas Resources Preservation Act*".

Section 3 sets out the intention of the Act which is to effect the preservation and conservation of the oil and gas resources of the Province, and to provide for their effective utilization having regard to the present and future needs of the residents of the Province.

Section 4 provides that any person who acquires gas within the Province and proposes to remove it for use or consumption elsewhere shall make application to The Petroleum and Natural Gas Conservation Board for a permit.

Section 5 sets out the information which the Board may require in connection with any application for a permit. The applicant may be required to give information about such matters as the location of the fields from which he proposes to acquire his gas, the estimated reserves of those fields, the marketing areas to be supplied with gas, the estimated requirements of the applicant to meet the needs of consumers within the marketing area, the period for which the applicant desires a permit and other similar information used in calculating the probable amount of gas which the applicant will require.

Section 6 provides for the fixing of a date for a hearing and giving of notice to interested parties.

Section 7 provides that the Board, after the hearing and with the approval of the Lieutenant Governor in Council, may grant or refuse a permit on such terms and conditions as may be prescribed in the permit.

Section 8 outlines some of the terms and conditions which may be prescribed in a permit. The permit may prescribe or designate the pool from which the

permittee may acquire gas, the maximum quantities of gas which may be acquired, the maximum rates of withdrawal, conditions under which the gas may be diverted, reduced or interrupted, the period for which the permit is granted and a condition that the permittee will supply all communities or consumers within the Province adjacent to its facilities which can be reasonably supplied by the permittee. The section also provides for an application for a new permit upon the expiration of one already granted.

Section 9 provides for the case where an emergency arises and additional gas is temporarily required to meet the needs of consumers within the Province. In these circumstances, the Board, with the approval of the Lieutenant Governor in Council, may divert the permittee's gas for use and consumption by consumers within the Province.

Section 10 provides that the Board at any time, either of its own motion or at the direction of the Lieutenant Governor in Council, or at the request of a permittee, may hold a hearing to reconsider any permit, if circumstances arise, which, in the opinion of the Board, justify the hearing. After due notice and hearing of the permittee and other parties interested, the Board, with the approval of the Lieutenant Governor in Council, may make any order, which, in the opinion of the Board and the Lieutenant Governor in Council, is just and reasonable under the circumstances.

Section 11 provides that the Board, with the approval of the Lieutenant Governor in Council, after notice to and hearing of the permittee and other parties interested, may cancel the permit of a permittee who wilfully violates any term or condition of the permit, or any provision of this Act, or any other Act relating to the conservation of gas and oil.

Section 12 enables the Board to prescribe the method to be used for the measurement of gas.

Section 13 prohibits the removal of gas from the Province without a permit.

Section 14 provides that any person who receives gas for shipment and transmission outside of the Province is guilty of an offence unless the shipper has a subsisting permit under this Act.

Section 15 enables the Lieutenant Governor in Council to make regula-

tions to facilitate the efficient administration of the Act.

Section 16 enables the Board to make rules of practice governing its procedure, times of its sittings, and things of a like nature.

Section 17 vests in the Board the powers of a commissioner appointed pursuant to *The Public Inquiries Act*.

Sections 18 and 19 deal with compelling the attendance of witnesses. If a witness fails to attend, the Board may apply to a judge of the Supreme Court for a warrant. If a witness refuses to give evidence a judge of the Supreme Court, on the application of the Board, may commit the witness for contempt.

Section 20 enables the Board to direct by whom the costs of any hearing will be paid.

Section 21 provides that any permittee who violates any provision of any Act governing the drilling, producing, conservation, gathering, purchasing and acquisition of gas or oil is guilty of an offence and liable to a penalty.

Section 22 provides that any permittee or other person who violates any of the provisions of this Act or the regulations, or any of the provisions of a permit, or any order of the Board made under this Act, is guilty of an offence and liable to a penalty.

This Act came into force on July 7, 1949.

LIFE INSURANCE COMPANY OF ALBERTA ACT AMENDMENT ACT

(Chapter 3)

(Bill 7)

This Act amends *The Life Insurance Company of Alberta Act*, being chapter 10 of the Statutes of Alberta, 1948.

Sections 3(1) and 6(2) are each amended to make it clear that the directors appointed by the Lieutenant Governor in Council are members of the Company for the duration of their appointments.

Section 11(4) is amended to make it clear that the provision relates only to policy-holders who are members, namely, those who hold participating policies for two thousand dollars or more.

Section 19 is amended. This section as amended clarifies the purpose and nature of the payment made to the Company under the authority of the section, which is to provide the Company with the capital required to enable it to establish and carry on the business of insurance. The reference to the terms and conditions determined by the Lieutenant Governor in Council is no longer necessary as this is being incorporated in the Act by the amendments to section 22.

Section 22 is struck out and a new section is substituted. The section provides that after payment of all expenses, claims and costs, proper reserves must be provided for. After provision has been made for reserves the Board of the Company may determine and declare a sum which is deemed safe and proper for distribution. The company is required to pay, as a dividend to participating policy-holders, ninety per cent of the sum declared available for distribution and ten per cent of the sum distributed will be paid to the Provincial Treasurer. After the aggregate of the payments to the Provincial Treasurer totals six hundred thousand dollars the Company is required to pay, as a dividend to participating policy-holders, one hundred per cent of the sum declared available for distribution.

Section 26 (2) (a) is struck out and a new paragraph (a) is substituted. The paragraph as amended enables the Lieutenant Governor in Council to prescribe such just and reasonable conditions as he deems necessary or advisable.

The Act came into force on July 7, 1949, and is made retroactive to the thirty-first day of December, 1948, which is the date on which the moneys were paid by the Provincial Treasurer to the Company under the authority of section 19.

NATURAL GAS UTILITIES ACT REPEAL ACT

(Chapter 4)

(Bill 5)

This Act repeals *The Natural Gas Utilities Act*, being chapter 4 of the Statutes of Alberta, 1944.

The administration of natural gas utilities is transferred to the Board of Public Utility Commissioners. Part I and Part II of *The Natural Gas Utilities*

Act are accordingly no longer necessary as they merely provided for the organization, powers and procedure of The Natural Gas Utilities Board and the powers of that Board to deal with certain public utilities. *The Public Utilities Act* already contains similar provisions so Parts I and II of *The Natural Gas Utilities Act* are no longer necessary. The special provisions relating to natural gas utilities and contained in Part III, such as the provisions relating to the field pricing of natural gas and the approval of natural gas contracts, are re-enacted in *The Public Utilities Act*. They will appear in Part II of *The Public Utilities Act* which is the portion of that Act dealing with public utilities.

Certain sections such as 68, 69 and 70 found in Part III of *The Natural Gas Utilities Act* declared such things as gas pipe lines, scrubbing plants, etc., to be public utilities. The same object has been achieved in *The Public Utilities Act* by amending the definition of "public utility" to include these items.

The remaining provisions of Part III of *The Natural Gas Utilities Act* were powers relating to the production, handling and disposition of natural gas and were designed to facilitate or enforce measures for its conservation. These powers relating to the conservation of natural gas are transferred to The Petroleum and Natural Gas Conservation Board and will be found in the proposed amendments to *The Oil and Gas Resources Conservation Act*.

Notwithstanding the repeal of this Act the orders made by The Natural Gas Utilities Board remain in force until they are annulled or until others are made in their stead by the Board of Public Utility Commissioners or by The Petroleum and Natural Gas Conservation Board.

The Natural Gas Utilities Act is accordingly repealed.

This Act came into force on July 7, 1949.

OIL AND GAS RESOURCES CONSERVATION ACT AMENDMENT ACT

(Chapter 5)

(Bill 2)

This Act amends *The Oil and Gas Resources Conservation Act*, being chapter

66 of the Revised Statutes of Alberta, 1942.

The Natural Gas Utilities Act and *The Pipe Line Regulation Act* are both being repealed and certain of the provisions contained in those Acts are re-enacted in this Act. Those powers of The Natural Gas Utilities Board in Part III of *The Natural Gas Utilities Act*, which relate to the production, handling and disposition of natural gas, and were designed to facilitate or enforce measures for its conservation, are transferred to the Conservation Board. Similarly, *The Pipe Line Regulation Act* contained provisions enabling pipe line companies to be declared to be common carriers or common purchasers. These powers facilitate the enforcement of measures for the conservation of oil and gas and are also transferred to the Conservation Board.

Section 2 of this Act is struck out and a new section is substituted. The purpose of this amendment is to incorporate definitions of additional terms which are necessary by reason of the addition of the sections taken from *The Natural Gas Utilities Act* and *The Pipe Line Regulation Act*. New definitions are also added of such terms as "reasonable market demand" and "waste" in connection with the new powers of the Board with respect to proration.

Section 3 is struck out and a new section is substituted. The new section states that the intention of the Act is to effect the conservation of oil and gas resources, to prevent waste and to give each owner the opportunity of obtaining his just and equitable share of the production of any pool.

Section 16 is struck out and a new section is substituted which restates and enlarges the power of the Board to carry out the intention of the Act. The principal additional power given in section 16 is that of proration to meet the market demand. The Board is empowered to fix a provincial allowable for oil not exceeding the reasonable market demand. This provincial allowable will be allocated among the pools in the Province by fixing an allowable for each pool. The production of oil allocated to each pool will then be prorated among the producers from the pool for the purpose of giving each producer the opportunity of receiving his just and equitable share of the oil in the pool. The Board has similar powers with respect to gas.

A number of new sections are added immediately after section 16.

Section 16a is new. This section prohibits waste and makes it an offence to commit waste of oil or gas. The expression "waste" has a wide meaning which is defined in the Act.

Section 16b enables the Board, with the approval of the Lieutenant Governor in Council to declare the proprietor of any pipe line to be a common carrier. This power is presently contained in section 7 (2) of *The Pipe Line Regulation Act*, in section 9 (3) of *The Pipe Line Act*, and in section 74 of *The Natural Gas Utilities Act*. These three sections are struck out by amendments to or repeal of their respective Acts and the power is transferred by this section to the Conservation Board.

Section 16c enables the Board, with the approval of the Lieutenant Governor in Council, to declare any person who purchases oil or gas in the Province, to be a common purchaser of oil or gas from the pool or pools designated by the Board. This power presently appears in section 7 (1) of *The Pipe Line Regulation Act*, in sections 9 and 10 of *The Pipe Line Act*, and in section 75 of *The Natural Gas Utilities Act*. These sections are repealed by amendments to or repeal of the above mentioned Acts and the power to declare persons to be common purchasers is transferred to the Conservation Board by the enactment of this new section.

Section 16d is a new section similar to a section which appears in many of the Conservation Acts of the various States. The object of the section is to prevent the use of gas for wasteful purposes such as the production of carbon black. It prohibits the use of gas for any purpose other than gas lift, repressuring, or for light or as fuel, unless a permit is obtained from the Board. The permit is granted if the applicant proves, at a hearing before the Board, that the gas is to be used for a beneficial purpose and that it would be in the public interest to grant the permit. The permit granted may prescribe the period for which it is granted and may be subject to other terms and conditions prescribed by the Board.

Section 16e was taken from *The Natural Gas Utilities Act* where it appeared as section 71. This Act is repealed and the power transferred to the Conservation Board.

Section 16f provides that in any case where the Conservation Board directs the purchase or sale of gas, if the price cannot be agreed upon by the parties, then it may be determined by the Board of Public Utility Commissioners on the application of any person interested.

Section 16g enables the Board to direct any purchaser of gas to purchase residue gas produced with oil, if, in the opinion of the Board, it can reasonably and economically be utilized for the purchaser's requirements. The purpose of this section is to prevent the waste of residue gas where it can be collected and used economically. The section also enables the Board to direct any purchaser to purchase gas from any well, pool or field which can reasonably and economically be reached and utilized for the purchaser's requirements. The section further provides that if it is just, reasonable, and in the public interest, the Board may direct the owner or operator of a well to sell to any designated purchaser.

Section 16h is taken from *The Natural Gas Utilities Act* where it appears as subsection (3) of section 71. That Act is repealed and the power transferred to the Conservation Board.

Section 16i is also taken from *The Natural Gas Utilities Act*, where it appeared as subsection (4) of section 71.

Section 16j is taken from *The Natural Gas Utilities Act* where it appeared as section 76.

Section 16k is new and enables the Board to prescribe the methods to be used for the measurement of gas.

Section 16l is taken from *The Natural Gas Utilities Act* where it appeared as section 67.

Section 16m is also taken from *The Natural Gas Utilities Act* where it appeared as section 67a.

Section 16n is taken from *The Pipe Line Act* where it appeared as section 11 (1) (d) and (f). The power to regulate and control pipe lines other than pipe lines used as distribution systems to ultimate consumers is transferred from the Board of Public Utility Commissioners to the Conservation Board. The Board of Public Utility Commissioners, of course, still retains

its price fixing powers in respect of pipe lines which are public utilities but no longer regulates or controls them.

Section 43 is amended by the addition of two new subsections. Section 43 deals with the procedure to be followed in connection with hearings. The first new subsection is the same as section 34 of *The Natural Gas Utilities Act* and provides that notice shall be given of any hearing relating to a contentious matter. The second new subsection is the same as subsection (4) of section 35a of *The Natural Gas Utilities Act* and provides that if any person does not receive notice of a hearing who is interested or affected, such person may apply to the Board to vary, amend or rescind the order, and the Board may hold an additional hearing to consider this application.

A new section 44a is added immediately after section 44. It gives a right of appeal from orders and regulations of the Board made under Part I of the Act, on questions of law and jurisdiction, and is similar to section 48 of *The Public Utilities Act*.

Section 46 is amended slightly for purposes of clarification.

Two new sections 48a and 48b are added immediately after section 48. These two new sections relate to the compelling of the attendance of witnesses and the giving of evidence. If the witness fails or refuses to attend, the Board may apply to a judge of the Supreme Court who may issue a warrant requiring the attendance of the witness before the Board. If a witness refuses to give evidence a judge of the Supreme Court, on the application of the Board, may commit the witness for contempt.

Section 51, which is the general penalty section, is amended. It is broadened so that a contravention of the regulations made under this Act or a contravention of an order of the Board, or a contravention of a term of or condition of a permit granted under *The Gas Resources Preservation Act* will constitute an offence and the offender will be liable to the penalty prescribed in section 51.

This Act came into force on July 7, 1949.

PIPE LINE ACT AMENDMENT ACT

(Chapter 6)

(Bill 4)

This Act amends *The Pipe Line Act*, being chapter 315 of the Revised Statutes of Alberta, 1942.

Section 2 is amended as to the definition of the term "gas" so that the definition conforms more closely to the definitions contained in the other legislation relating to oil and gas. A new definition of the term "pipe line" is also added to the interpretation section. The definition of the term "pipe line" makes it clear that this term includes property required for tanks, reservoirs, pumps, racks, storage, loading and other terminal facilities incidental to the pipe line.

Section 3 is amended for purposes of clarification without changing its meaning or effect.

Section 5 (c) is amended by adding some additional items which are required to be shown upon the map accompanying an application for a permit.

A new section 5a is added immediately after section 5. The effect of this new section is that when a company files an application, maps and other material with the Minister, when applying for a permit to construct a pipe line, a copy of all the material must also be filed with The Petroleum and Natural Gas Conservation Board. The Conservation Board may recommend to the Minister changes and alterations in the plan and its details.

Section 7 is amended to provide that the Minister, with the approval of the Conservation Board, may grant a permit for the construction of a pipe line.

Section 8 (b) has been amended by rewording it for purposes of clarification.

Section 9 is amended by striking out subsections (2), (3) and (4) and by substituting a new subsection. The new subsection is similar to the former subsection (4). Sections 9 and 10 gave the power to the Board of Public Utility Commissioners to declare pipe lines to be common purchasers or common carriers. This power is transferred to The Petroleum and Natural Gas Conservation Board to assist in the enforcement of its conservation measures and ac-

cordingly subsections (2) and (3) of section 9 and all of section 10 are no longer necessary.

Section 11, which is the section empowering the Board of Public Utility Commissioners to make regulations relating to pipe lines, is amended. Paragraphs (c), (d), (f) and (k) are struck out and a new paragraph (c) is substituted. The new paragraph (c) authorizes the making of regulations governing pipe lines which constitute a distribution system to ultimate consumers. The powers contained in paragraphs (d) and (f) are transferred to the Conservation Board and will be found in the amendments to *The Oil and Gas Resources Conservation Act*. Paragraph (k) is unnecessary as the Board has this power under *The Public Utilities Act*.

A minor amendment is made to section 12 for purposes of clarification.

Section 15 is struck out as it is no longer necessary.

This Act came into force on July 7, 1949.

PIPE LINE REGULATION ACT REPEAL ACT

(Chapter 7)

(Bill 6)

This Act repeals *The Pipe Line Regulation Act*, being chapter 316 of the Revised Statutes of Alberta, 1942.

Some of the powers contained in this Act are transferred to The Petroleum and Natural Gas Conservation Board and others are transferred to the Board of Public Utility Commissioners.

For instance, provisions of this Act provide that the Lieutenant Governor in Council or the Board of Public Utility Commissioners may declare pipe line companies to be common carriers or common purchasers. These powers are transferred to The Petroleum and Natural Gas Conservation Board to facilitate the enforcement of measures for the conservation of oil and gas and may be found in the amendments to *The Oil and Gas Resources Conservation Act*.

Section 5 of this Act enables the Board of Public Utility Commissioners to prescribe pipe line charges for any pipe line declared to be a common carrier. These provisions are re-en-

acted in Part II of *The Public Utilities Act* and are found in the proposed amendments to that Act.

The provisions which are not being transferred either to *The Oil and Gas Resources Conservation Act* or to *The Public Utilities Act* would appear to be no longer necessary and accordingly this Act is repealed.

This Act came into force on July 7, 1949.

PUBLIC UTILITIES ACT AMENDMENT ACT

(Chapter 8)

(Bill 3)

This Act amends *The Public Utilities Act*, being chapter 28 of the Revised Statutes of Alberta, 1942.

The purpose of the amendments to this Act is to incorporate in it certain provisions which at present appear in *The Natural Gas Utilities Act* and in *The Pipe Line Regulation Act*, both of which Acts have been repealed.

Section 2 is struck out and a new section is substituted. Several of the terms defined in *The Natural Gas Utilities Act* and in *The Pipe Line Regulation Act* now are defined in this Act. The interpretation section of this Act is accordingly amended by the addition of the following terms: "absorption plant", "gas", "gas pipe line", "oil", "oil pipe line" and "scrubbing plant". The definition of the term "public utility" has been amended to include certain things such as gas pipe line, scrubbing plant, etc., which were declared to be public utilities by *The Natural Gas Utilities Act*.

Section 28 is amended by striking out subsection (2) and by substituting two new subsections. The effect of this addition is that if a witness refuses to comply with a notice to attend before the Board, a Supreme Court judge, on the application of the Board, may issue a bench warrant for the witness. In the case of the refusal of a witness to give evidence or answer questions before the Board, a Supreme Court judge, on the application of the Board, may commit the witness for contempt.

Section 52 is amended by the addition of a new subsection (3). The effect of this subsection is that the transportation, delivery, furnishing or supplying of propane by tank car, tank wagon,

cylinder or vessel, is not a public utility within the meaning of this Act and Part II of the Act does not apply to it.

Section 66 (e) is amended for purposes of clarification. The term "gas" is now defined in the Act and accordingly much of paragraph (e) can be struck out without in any way changing its meaning or effect.

Five new sections are added immediately after section 70, the new sections being numbered 70a to 70e inclusive.

The first four of the new sections 70a to 70d inclusive previously appeared in *The Natural Gas Utilities Act* as sections 72, 72a, 72b and 72c. These provisions relate to the field pricing of natural gas and the powers in this connection are transferred from The Natural Gas Utilities Board to the Public Utilities Board and *The Natural Gas Utilities Act* has been repealed.

The new section 70e appeared in *The Pipe Line Regulation Act* as section 5. This section relates to the fixing of pipe line charges for pipe lines which have been declared to be public utilities. The section is being re-enacted in this Act as *The Pipe Line Regulation Act* has been repealed.

This Act came into force on July 7, 1949.

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